



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

JUL 3 2006

Honorable Nena S. Nena
Acting Secretary of Health, Education, and Social Services
Federated States of Micronesia
P.O. Box PS 70 Palikir
Pohnpei State, FM 96941

Dear Secretary Nena:

This is to inform you that we have conditionally approved the Federated States of Micronesia's (FSM) Eligibility Documents, including assurances and certifications, for Federal Fiscal Year (FFY) 2006 under Part B of the Individuals with Disabilities Education Act (IDEA). Our determination that you are eligible for conditional approval is based on our receipt of FSM's application submitted by the Department of Health, Education, and Social Services to the U.S. Department of Education, Office of Special Education Programs (OSEP), on April 24, 2006, and amended on June 9, 2006 and June 23, 2006 to meet the requirements under Section 611(b)(1)(A)(ii) of IDEA, in which it assures that it will:

1. Operate consistent with the Part B requirements of PL 108-446 and applicable regulations; and
2. Make such changes to existing policies and procedures as are necessary to bring those policies and procedures into compliance with the requirements of Part B of the IDEA, as amended, as soon as possible, and not later than July 1, 2007. Section II of FSM's application (which is incorporated by reference and enclosed with this grant letter) identifies the IDEA statutory sections for which FSM needs to amend policies and procedures and the timelines by which FSM will amend its policies and procedures in order to comply with Part B of the IDEA. Within Section II, FSM has included the date by which it expects to complete necessary changes associated with any policies and procedures that are not yet in compliance with the requirements of Part B of the IDEA, as amended.

Enclosed is a grant award for funds currently available under the Department of Education FFY 2006 Appropriations Act for the Part B Section 611 (Grants to States) program. These funds are for use primarily in school year 2006-2007 and are available for obligation by States and territories from July 1, 2006 through September 30, 2008.

The FFY 2005 grant award under Part B of IDEA was issued to FSM with a conditional approval contingent upon OSEP's receipt of supporting documents referenced in OSEP's April 11, 2005 comments to FSM in order to resolve outstanding items on the issues chart for the Part B Eligibility Document Submission for FFY 2002. In FSM's Part B FFY 2005 grant award letter dated July 11, 2005, OSEP required FSM to provide the following supporting documents in order to resolve issues that resulted in a conditional approval: (1) the statute that mandated a free appropriate public education (FAPE) required under 34 CFR §300.121(a) and any exceptions to FAPE exercised by FSM as required under 34 CFR §300.122(a); and (2) a copy of the section of FSM's Special Education Procedural Manual that provided guidelines regarding the participation of children with disabilities in alternate assessments required under 34 CFR §§300.138(b)(1) and 300.138(b)(2).

This is to inform you that the documentation that FSM submitted to OSEP in order to resolve outstanding items on the issues chart satisfies the requirements for approval of FSM's Part B Eligibility Document Submission for FFY 2002. This determination is based upon OSEP's receipt and review of the following documents.

1. Revisions to Section 232 of title 40 of the Code of FSM, as amended by Public Law No. 1408, signed by the President of FSM on June 23, 2005. The revisions added a definition of FAPE which states that the age range for providing FAPE is from ages birth through 21, provides FSM's exceptions to the FAPE requirements, and states that FAPE will be provided for eligible students who have been suspended or expelled from school. The revisions resolved issues regarding the requirements at 34 CFR §§300.121(a) and 300.122(a).
2. FSM's "Guidelines for Including Students with Disabilities in the National Standard Test (NST) and Criteria for Participation in Alternate Assessment" (October 2004). The guidelines describe FSM's alternate assessment procedures and provide for the participation of children with disabilities in alternate assessments, for children who cannot participate in statewide assessment programs. The FSM guidelines resolved issues regarding the requirements at 34 CFR §§300.138(b)(1) and 300.138(b)(2).

Please note that as part of your Eligibility Documents for FFY 2006, FSM has made an assurance, under 34 CFR §80.11(c), that it will comply with all applicable Federal statutes and regulations in effect with respect to the periods for which it receives grant funding. Any changes made by FSM, after OSEP approval, to policies and procedures needed to comply with Part B of the IDEA, must meet the applicable public participation requirements, including those in 20 U.S.C. 1232d(b)(7).

The amount shown in your award for the Section 611 program is only part of the total funds that will be awarded to you for FFY 2006. Of the \$10,582,960,540 appropriated for Section 611 in FFY 2006, \$5,158,760,540 is available for awards on July 1, 2006, and \$5,424,200,000 will be available on October 1, 2006.

Enclosure B provides a short description of how Section 611 funds were allocated and how those funds can be used. In addition, Table I in Enclosure B shows funding levels for distribution of Section 611 funds and the parameters for within-State allocations.

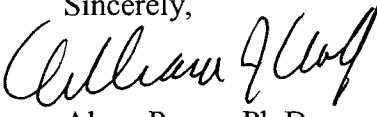
The enclosed grant award for FFY 2006 is made with the continued understanding that this Office may, from time to time, require clarification of information within your application, if necessary. These inquiries are needed to allow us to appropriately carry out our administrative responsibilities related to Part B.

Section 606 provides that each recipient of assistance under IDEA make positive efforts to employ and advance in employment qualified individuals with disabilities. Therefore, by accepting this grant, FSM is expressly agreeing as a condition of IDEA funding to ensuring that positive efforts are made to employ and advance employment of qualified individuals with disabilities.

Page 3 - Honorable Nena S. Nena

We appreciate your ongoing commitment to the provision of quality educational services to children with disabilities.

Sincerely,



for Alexa Posny, Ph.D.
Director
Office of Special Education Programs

Enclosures

Enclosure A

Enclosure B

cc: Mr. Makir Keller
Director of Special Education